1986-87
ANNUAL REPORT

ALBERTA MOTION PICTURE
DEVELOPMENT CORPORATION

Alberta Motion Picture Development Corporation
1986-87 Annual Report

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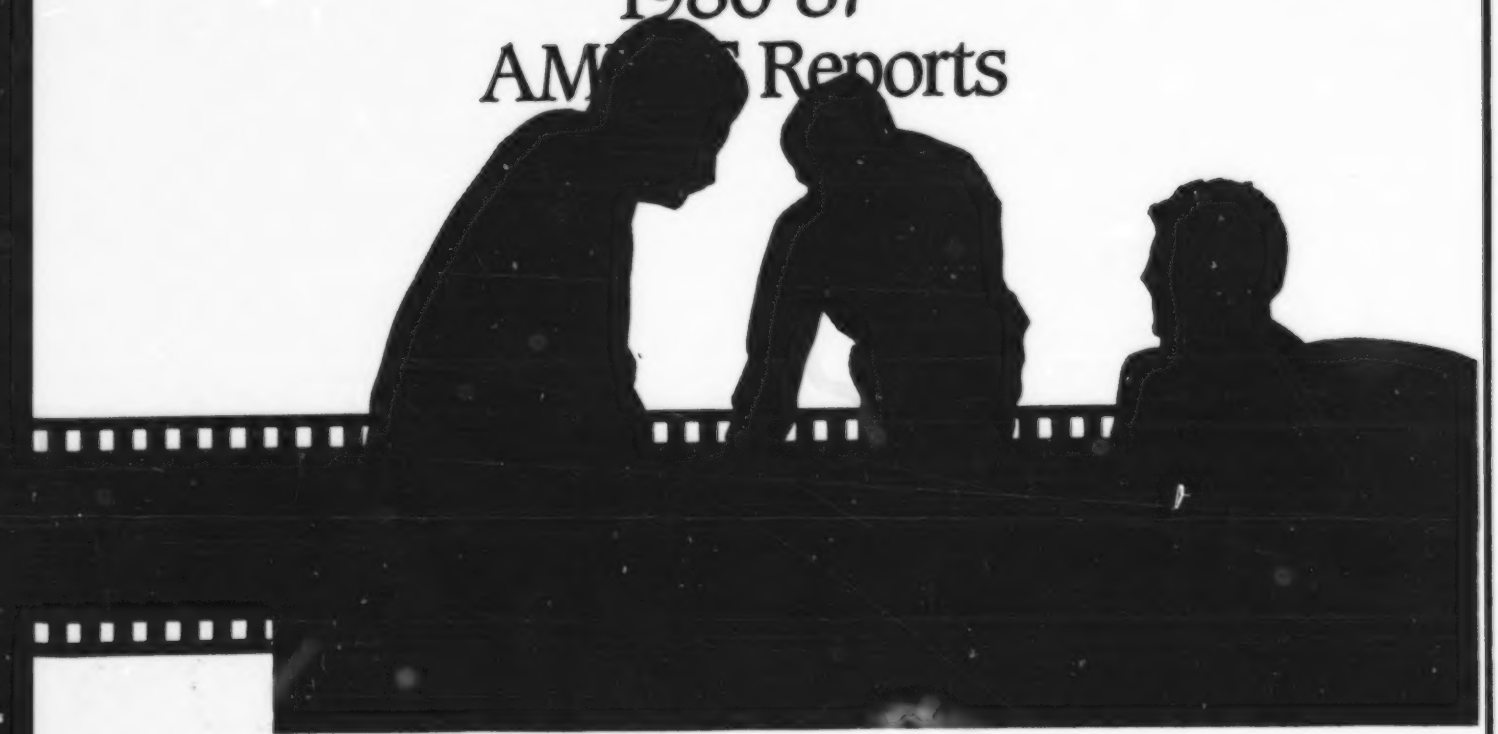


Letter to the Minister

Alberta Motion Picture Development Corporation

Box 1740, Canmore, Alberta, Canada T0L 0M0; (403) 678-2525; TELEX 03-824703

June 1987

The Honorable Mr. Larry R. Shaben
Minister of Economic Development and Trade
Edmonton, Alberta

Sir:

I have the honor to present to you, in accordance with the provisions of Section 9 of the Motion Picture Act 1981, the fifth Annual Report of the **Alberta Motion Picture Development Corporation (AMPDC)**, for the year ended March 31, 1987.

The significant contribution of the Alberta Government in stimulating the growth of the indigenous motion picture industry is appreciated.

In the following pages, this Report relates the steady progress being made in establishing a stable industry. I would particularly like to draw your attention to the concerns, detailed in the President's Report, about investment for Alberta production.

I would also like to note the changes in the Board of Directors. Carrie Hunter, whose term of appointment expired, and Terry Coles, who has moved from this province, are no longer members of the Board. Both made valuable contributions to the deliberations of the AMPDC Board.

Yours truly,

ALBERTA MOTION PICTURE DEVELOPMENT CORPORATION

Orville Kope
Chairman of the Board

Orville Kope, Chairman
AMPDC Board of Directors

President's Report

Lorne W. MacPherson
President & Chief Executive Officer

The mandate of the Alberta Motion Picture Development Corporation (AMPDC) is to foster and promote Alberta's indigenous film-and-video production industry.

Alberta benefits both directly and indirectly from a provincial motion picture industry. This cultural industry is a powerful means for expressing our distinct regional contribution to a national identity. Films and videos produced in the province encourage world-wide trade and tourism. But more importantly, this labor-intensive industry is helping to diversify the economy of the province.

To March 31st 1987, 13 AMPDC projects were completed with production budgets totalling $17.5 million. Sixty percent of these budgets, *almost $10.5 million was spent directly in Alberta.* These completed projects were *generated by AMPDC loans totalling $1.3 million.*

Background

In Edmonton, Calgary and smaller centres, approximately 1,000 Albertans work in the film/video and broadcast industries. This includes about 40 producers or production companies, three distributors, performers, writers, directors and technicians.

The value of stimulating this industry was recognized by the Alberta Government in 1982 with the formation of the Alberta Motion Picture Development Corporation. The AMPDC was English Canada's first provincial development corporation.

Using a $3 million fund from the Alberta Department of Economic Development and Trade, AMPDC functions like a "bank". The AMPDC lends money to producers for project development. Sixty percent of their development budget, to a maximum of $200,000, is loaned to producers to complete scripts, promote presales, secure production financing and produce T.V. pilots.

To be considered for a loan, projects are assessed on a number of criteria, principally commercial potential, benefit to the Alberta industry, and artistic merit.

Status

Development is a high risk area crucial to the film and video production industry. Of the many ideas conceived and scripted, only a small proportion proceed to production. Completing projects is a complex process requiring considerable time between development and production. Few writers and producers can afford to develop worthwhile projects on their own.

From 1982 to March 31, 1987, AMPDC has committed loans totalling $3.6 million to 63 projects. The thirty-eight projects still in development have production budgets estimated at $98.4 million. Thirteen of the 63 AMPDC projects have been produced. This completion ratio of about 1-in-5 is well above the industry norm.

One important outcome of this industry development will be a stable core group of Alberta producers who will employ other Albertans. Of the total of more than 17 hundred positions on the completed productions, 77% overall were filled by Albertans. On these productions, Albertans made up 81% of the crews, 71% of the cast, 57% of the writers and 38% of the directors.

Future

During the next few years, more projects will be completed. Some will achieve both commercial and critical success. Still, not all projects will be produced, and not all completed projects will be able to repay their AMPDC loans.

The Financial Statements reflect this speculative reality with a formula for writing off those loans to projects that are no longer considered commercially viable.

The chances of recoupment of AMPDC loans improve as the Alberta industry matures. As more successfully completed projects gain recognition, and as Alberta producers establish solid reputations beyond the provincial border, AMPDC expects sales to increase.

AMPDC has a continuing concern that financing is difficult to obtain. The provincial industry has not yet developed a good equity investment pool and access to investment capital remains one of the major challenges for Alberta producers.

Nationally, Telefilm Canada provides equity investment for television and theatrical feature production. As well, many of the other provinces have now formed their own agencies with equity investment funds. Since the AMPDC mandate is for development loans only, Albertan producers are at a disadvantage in securing investment.

Additionally, federal tax changes proposed for next fiscal year (1987-88) may adversely affect the industry–limiting investment on individual projects.

In the future, AMPDC will continue to emphasize the development of an investment pool for the provincial industry, but this goal is severely inhibited by our inability to supply equity funds.

Provincial support for the film-and-video industry has been significant. The initiative and leadership of the past is paying off. Progress is evident in the diverse successful projects being completed. AMPDC looks forward to continuing practical support for this maturing industry.

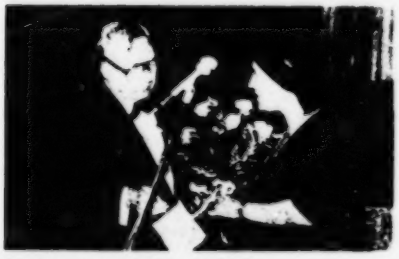
Activities and Highlights

LOYALTIES Premiere
Producer/Director, Anne Wheeler
AMPDC President, MacPherson

Tom Peacocke, AMPDC Board Member
Bill Marsden, Director Film Industry Development
Alberta Economic Development and Trade

Sharon Riis, Writer
Anne Wheeler, Producer/Director

Delegation of Chinese Film-Makers
Rocky Mountains, Alberta



Tom Peacocke, AMPDC Board Member
Anne Wheeler, Producer/Director

Quebec/Alberta Co-Production Agreement
Signing at Montreal Festival 1986
SGC President, Jean-Guy LaVigne
AMPDC Vice-President Brandt

Anne Wheeler, Producer/Director
Bill Marsden, Director Film Industry Development
Alberta Economic Development and Trade

Vice-President's Report

C.V. (Caryl) Brandt
AMPDC Vice-President

The Alberta film and video industry has a history of quality non-theatrical production. The overall goal of the Alberta Motion Picture Development Corporation has been to help the industry build on this solid foundation.

Significant progress is being made in diversifying the industry while maintaining the tradition of quality. Past experience in Alberta has been producing mainly documentaries, educational programs, commercials and industrials. Now Alberta producers are steadily adding to their range of credits with more television series, theatrical features and international co-productions.

The 13 completed projects, from documentaries to tv series and theatrical features, demonstrate the quality that Albertans can produce. For example, *LOYALTIES, CONNECTING, STRIKER'S MOUNTAIN,* and *THE CLIMB* have won honors nationally and internationally. AMPDC is proud to have supported the development of these award-winning projects. Their awards enhance not only the reputations of the individual producers, their cast and crews, but also the credibility of the entire Alberta industry.

Better known and more experienced producers, writers, performers, technicians and directors are one of the benefits of completed projects.

Project Development

Each project being developed offers an opportunity for Alberta producers to improve managerial and marketing skills, and to increase their contacts with decision-makers located beyond this region.

The importance of being able to negotiate with network-level broadcasters, international co-producers and other funding agencies like Telefilm is evident in the funding sources for the 13 projects completed to March 31st, 1987.

For the projects already produced, AMPDC development loans represent a total of 8% of the final production budgets. The remaining 92% of the $17.5 million production budgets were generated by using just over $1.3 million in AMPDC development loans. (And, as noted in the President's Report, an estimated 60% of these budgets –almost $10.5 million–was spent directly in Alberta as a result of AMPDC loans.)

Co-productions nationally and internationally are an increasingly practical way to find production financing. As other industry funds are established, Albertans will continue to pursue co-production arrangements both domestically and abroad.

Last year, during the 1986 Montreal World Festival, the final Alberta/Québec Co-Production Agreement was officially signed. The original Protocol was signed at the 1985 Banff TV Festival. This agreement will eventually enable designated co-producers from each province to access appropriate funds from both AMPDC and the Société Général du Cinéma du Québec (SGCQ).

As well as encouraging the growth of *producers in Alberta,* AMPDC works closely with Bill Marsden who promotes the use of Alberta locations and crews by *out-of-province producers.* As the Director of Film Industry Development with the Alberta Department of Economic Development and Trade, Mr. Marsden is the provincial film commissioner.

AMPDC also uses Economic Development's Location Agents in England and Los Angeles to help identify markets, and to introduce Alberta producers to financiers and international co-producers.

Promotion

The AMPDC promotes the Alberta industry in general, as well as specific projects in which the corporation is a participant.

During 1986-87, AMPDC special promotional activities included hosting receptions at the *LOYALTIES* Premiere, arranging "Alberta" screenings during the Banff Television Festival, and introducing a delegation of Chinese film-makers to the Alberta industry in Edmonton and Calgary. As well, a newsletter was introduced to improve awareness of specific AMPDC activities, industry events and changes.

Festivals and marketplaces are occasions for gaining media coverage. To raise the Alberta profile, advertising for AMPDC appears in trade publications–both nationally and internationally.

Hundreds of markets for television and theatrical programs are held around the world. Each year AMPDC attends about a half dozen of these chosen mainly for their potential to help Alberta gain credibility and sales.

Steady progress is being made by Alberta producers in establishing a solid reputation beyond the provincial border.

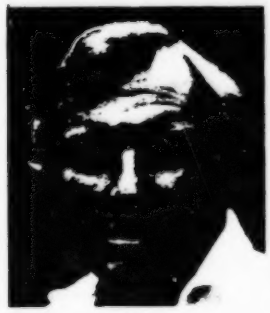
The province as a whole can feel pride for Alberta motion pictures and the Albertans that produce them.

Caryl Brandt

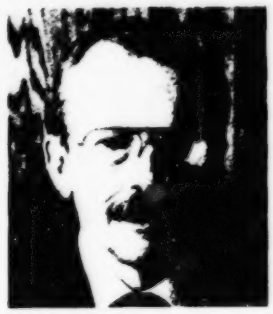
AMPDC Board of Directors

Orville Kope, Board Chairman
Past VP, Monarch Broadcasting,
Medicine Hat

Helen Hammond, Calgary
Corporate Partner, Foster Research



Tom Peacocke, Edmonton
University of Alberta
Drama Department



Rex Little, Lethbridge
Chartered Accountant

John Ritchie, Edmonton (absent)
VP Marketing
Metropolitan Trust Company of Canada Ltd.

AMPDC Industry Advisory Committee

AMPDC Industry Advisory Committee
(back row, left to right)
Doug MacLeod, Garry Toth, Sharon Riis
(seated, left to right)
Allan Stein, Arvi Liimatainen - Chairman
George Christoff (absent)

Arvi Liimatainen, Committee Chairman
Kicking Horse Productions, Edmonton

Sharon Riis, Writer, Lac La Biche

Garry Toth, HBW/Toth Co-Productions, Calgary

Doug MacLeod, Bradshaw/MacLeod Productions, Calgary

Allan Stein, President, Alberta Motion Picture Industries Association (AMPIA), Edmonton

George Christoff, FilmWest Productions, Edmonton

AMPDC Staff

Lorne W. MacPherson
President & Chief Executive Officer

C.V. (Caryl) Brandt
Vice-President, Project Development & Promotion

Laurie Tiesmaki
Accountant & Personnel Officer

Elizabeth Child
Secretary-Receptionist

1982-87
AMPTP
Projects

Projects in Development

Documentaries (2)

River of Bones
Documentary drama 1 hour
Environmental history
Tinsel Media Productions
Nick Bakyta

The Secret of Samoa
("More Female than Female")
South Pacific anthropology
Samoa Project Films
Reevan Dolgoy

TV Series/Pilots (5)

Golden Mountain
(Whispering Willow)
Teen adventures 10 × 1/2 hour
Martial arts
324126 Alberta
Doug McLeod

The Little Vampire II
Children 13 × 1/2 hour
Contemporary fairy tales
Norflicks Productions
Richard Nielsen

Move Over ("Fly by Night")
Family situation comedy
Father & son moving company
Move Over Television Inc.
Eda Lishman

Tel
Family drama 7 × 1/2 hour
British immigrant family
317537 Alberta Ltd.
Helene White/Garry Toth

The Young Reporters
Teen adventures 6 × 1/2 hour
Small town intrigues
Douglas Communications
Michael Douglas

TV Movies (5)
(includes feature-length Pilots)

By Special Appointment
True tale of Queen's Canadian horse
Primedia Television/Crawley Assoc.
Pat Ferns, Producer
Writers: **W.O. Mitchell**/Peter Blow

The Dream Grinder
Teen fantasy adventure
Semi-Arid Productions
Dagmar Sulmanis

Poker Night
Contemporary romance
Women's poker group tale
Kicking Horse Productions
Arvi Liimatainen

Talking Dirty
Adult comedy
from Sherman Snukal play
Baby Boom Productions
Michael Douglas, Richard Nielsen

Tinsel and Ice
Family drama
Post-war tale
Big Meadow Productions
Alan Simmonds

TV Drama Specials (5)
(includes Mini-Series)

Cree...The Last War Cry
Historical drama 2 × 2 hours
from **Rudy Weibe** book
"The Temptations of Big Bear"
Filmline (Big Bear) Productions
David Patterson/Michael Spencer

Golden Legacy
Historic drama 3 × 2 hours
Chinese-Canadian roots
Filmco Productions
Dick Wong
Writer: **Fil Fraser**

Riders of the Savage Land
Prairie history 6 × 1 hour
Rose Films Inc.
Marie-Jose Raymond
Writer: **Michelle G. Stirling**

Smoke Bellew
Period adventure 6 × 1 hour
from Jack London story
Stein/MacLean Prod./Alliance Corp.
Allan Stein

Who Killed Sir Harry Oakes?
Historical drama 2 × 2 hours
Murder mystery
Primedia Television
Pat Ferns

Projects in Development

Theatrical Features (21)

Angel Square
Period kids drama
from Brian Doyle book
Wheeler/Hendren Ent.
Anne Wheeler, Producer/Director
Writer: **James DeFelice**

Blackwood
True historical tale
from **Hugh A. Dempsey** book
"Charcoal's World"
The Producers Lishman Ltd.
Eda Lishman

Bucks
Modern western comedy
Rodeos & commodities
Kicking Horse Productions
Arvi Liimatainen, Producer
Director: **Mark Schoenberg**

The Button
Adult comedy
Nucleur war "button"
Wacko Entertainment
Wendy Wacko

Bye Bye Blues
Wartime drama
Mom's piano-playing tale
Wheeler-Hendren Enterprises
Anne Wheeler, Producer/Writer

City Limits (Flash Frame)
Adult thriller
Flash Frame Corp.
David Winning, Producer/Director
Writer: **Stan Edmonds**

Dragon Fall
Teen adventure
Boy inventor & strange toys
from **Lee J. Hindle** book
Wacko Entertainment
Wendy Wacko
Writer: Jaron Summers

The Geisha Diary
Contemporary adult fantasy
from Ken Noyle book
The Producers Lishman Ltd.
Eda Lishman

Hail Alley
Adult drama
Adventure at a weather station
The Dreamland Picture Company
Peter Campbell, Producer/Director

Horizon
Prairie drama
from Sinclair Ross book
"As For Me And My House"
Maggie's Movies Ltd.
Margret Kopala

The Hunt
Maritimes tale
Redeeming dad's honor
Wacko Entertainment
Wendy Wacko

Interlock
Dramatic adventure
Police intrigue
319032 Alberta Ltd.
Jorge Montesi, Producer
Producer/Writer: **Peter Haynes**

The Dream Horses
Period drama
Romantic adventure
Ronald Cohen Films (II) Inc.
Ronald Cohen
Writers: **Allan Stein/Harvey Spak**

Ladies in Retirement (Brothel!)
Adult comedy
Period slapstick adventure
Altor Media Corporation
Don Ginsberg

The Last Romantic Guy
Romantic comedy
Shy guy with new fun-loving heart
Wacko Entertainment
Wendy Wacko

Midnite Cafe
Adult drama
Psychological romance
Midnite Cafe Productions
Wendy Hill-Tout, Producer/Writer

The Night We Stole The Mountie's Car
Period drama
from Max Braithwaite book
Lawrence Hertzog Productions
Lawrence Hertzog
Writer: **Jim DeFelice**

Primo Baby
Teen romance
from Karen Jensen book
"Bold Victory"
Girl, handicapped boy & blind horse
The Producers Lishman Ltd.
Eda Lishman

Tickets
Contemporary adventure
Lottery scam
Ticket Film Productions
Reevan Dolgoy

Unseelie
Horror fantasy
Penworth Productions
Eda Lishman

Zombie!
World War II drama
Wacko Entertainment
Wendy Wacko

Projects Produced

THE CLIMB–90 minutes Theatrical
True mountain climbing adventure
British/Canadian Co-production
Wendy Wacko Productions
Wendy Wacko
with BBC, CTV & Telefilm

CONNECTING
TV series Pilots–9 × 1/2 hour
Teen talk show
HWB/Toth Co-Productions
Helene White/Garry Toth
with **Alberta-CBC** & Telefilm

DRAW
TV Movie–95 minutes
Tongue-in-cheek western
Holster Productions Inc.
H. Greenburg/S. Rekant/Ronald I. Cohen

GOOD TIMES AT THE RAINBOW BAR AND GRILL
TV series Pilot–1/2 hour TV
Rockabilly drama
Snack Bar Film Corporation
Michael Lebowitz/**Arvi Liimatainen**
with CBC, Allarcom & Telefilm

"GRIZZLIES OF THE GREAT DIVIDE"
(Confrontations with Nature)
TV series Pilot–1/2 hour
Wildlife documentary
Karvonen Films Ltd.
Albert Karvonen

ISAAC LITTLEFEATHERS
TV Movie/series Pilot–100 minutes
Prairie family drama
King Motion Picture Corporation
Doug Hutton/Lauron Productions
with CBC, Allarcom & Telefilm

K.D. LANG AT TSUKUBA
Musical Documentary–60 minutes
K.D. Lang in Japan
Robert Barclay Productions
Robert Barclay with Telefilm

THE LITTLE VAMPIRE I
TV series Pilots–13 × 1/2 hour
European/Canadian Co-productions
Norflicks Productions
Richard Nielsen
with **Allarcom** & Telefilm

LOYALTIES
Theatrical/TV Movie–98 min. Pilot
Psychological mystery
Canadian/British Twinned Production
Wheeler/Hendren Enterprises
Anne Wheeler/Lauron Productions
with Allarcom, CBC & Telefilm
Writer: **Sharon Riis**

RAT TAILS
Drama Special–1 hour
Alberta Rat Patrol tale
The Dreamland Picture Company
Peter Campbell
with **Alberta-CBC** & Telefilm
Writer: **Francis Damberger**

SHOOTING STARS
Documentary-Drama–1 hour
Edmonton Grads Basketball Team
307012 Alberta Ltd.
Allan Stein/Mairi MacLean

STRIKER'S MOUNTAIN
TV Movie/series Pilot–102 minutes
Mountain family adventure
Wendy Wacko Productions
Wendy Wacko
with CBC, **Allarcom** & Telefilm
Writer: **Pete White**

WILDCAT
TV series Pilot–30 minutes
Oil-field-family adventure
Nick Bakyta/Atlantis Films
with **Alberta-CBC** & Telefilm
Writer: **Roy Sallows**

1986-87 Financial Reports

ALBERTA LEGISLATURE

OFFICE OF THE AUDITOR GENERAL

Auditors' Report

To the Board of Directors of the
Alberta Motion Picture Development Corporation

I have examined the balance sheet of the Alberta Motion Picture Development Corporation as at March 31, 1987 and the statement of operations for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1987, and the results of its operations for the year then ended in accordance with the disclosed basis of accounting, considered appropriate in the circumstances, as described in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Donald D. Salmon

Donald D. Salmon, C.A.
Auditor General

Edmonton, Alberta
June 17, 1987

Balance Sheet
as at March 31, 1987

ASSETS	1987	1986
OPERATING FUND		
Cash	$ 27,601	$ 19,110
Accounts receivable	51	1,060
Prepaid expenses	2,997	5,835
Leasehold improvements	32,901	32,901
Furniture and equipment	77,092	78,664
	140,642	137,570
LOAN FUND		
Cash	108,491	285,807
Loans to producers of motion pictures and television pilots (Note 3)	945,215	1,106,537
	1,053,706	1,392,344
	$1,194,348	$1,529,914
LIABILITIES		
OPERATING FUND		
Accounts payable	$ 13,534	$ 11,261
Due to the Province of Alberta (Note 4)	17,115	14,744
Equity in fixed assets	109,993	111,565
	140,642	137,570
LOAN FUND		
Due to the Motion Picture Development Fund (Note 5)	1,053,706	1,392,344
	$1,194,348	$1,529,914

The accompanying notes are part of these financial statements.

Statement of Operations
for the year ended March 31, 1987

	1987	1986
Salaries and employee benefits	$161,507	$136,516
Promotion, marketing and travel	84,704	89,458
Office rental	37,783	38,867
Professional fees	28,787	33,367
Supplies and services	24,972	19,507
Equipment purchase, rental and repair	17,529	20,666
Advertising	16,628	27,524
Honorariums—Board and committee members	13,528	11,485
Telephone	12,467	11,004
Other	6,114	4,910
	$404,019	$393,304
Contribution by the Province of Alberta (Note 4)	$404,019	$393,304

Notes to the Financial Statements
March 31, 1987

Note 1 AUTHORITY

The Alberta Motion Picture Development Corporation operates under the authority of the Motion Picture Development Act, Chapter M-19.1, Statutes of Alberta 1981, which expires on March 31, 1989.

Note 2 SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

a) Basis of Accounting

These financial statements have been prepared in accordance with generally accepted accounting principles except that leasehold improvements and purchases of furniture and equipment are charged to operations in the year of acquisition. The balance sheet also shows, for information purposes, the cumulative amount of such expenditures in respect of all fixed assets presently owned with a corresponding credit shown as equity in fixed assets.

b) Fund Accounting

The Alberta Motion Picture Development Corporation receives funding from different sources. It is the Corporation's policy to keep these funds segregated by purpose and to report the assets and liabilities of each fund separately on the balance sheet. The two funds are:

i) an operating fund which receives operating grants from the Department of Economic Development and Trade of the Province of Alberta to pay the operating expenses of the Corporation.

ii) a loan fund which receives advances from the Motion Picture Development Fund, interest earned on loans to producers and bank interest earned on unutilized advances. These amounts are used to make advances to producers of motion pictures and television pilots.

c) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 LOANS TO PRODUCERS OF MOTION PICTURES AND TELEVISION PILOTS

These loans are limited to 60% of the total funds required during the pre-production stage. For a television series, the pre-production stage includes the cost of producing the pilot.

	1987	1986
Loans and interest due from producers at beginning of year before allowance for non-recovery	$2,567,613	$1,626,969
Add:		
Loans advanced in year	333,202	872,461
Interest earned in year	252,437	219,819
	3,153,252	2,719,249
Deduct:		
Loans repaid by producers	40,943	88,375
Interest received	23,700	23,316
Loans and interest written off	399,810	39,945
	464,453	151,636
	2,688,799	2,567,613
Deduct:		
Allowance for non-recovery of loans and interest	1,743,584	1,461,076
Loans and interest due from producers at end of year	$ 945,215	$1,106,537

The allowance for non-recovery of loans and interest is determined:

–by management's ongoing assessment of the ability of the producers to obtain financing to cover the full cost of production and to repay the loans, and

–by applying a formula which in management's opinion reflects the high financial risks faced by producers and financiers during the pre-production stage of making motion pictures and television pilots.

Note 4 DUE TO THE PROVINCE OF ALBERTA

Operating expenses of the Corporation are paid by the Province of Alberta. The unexpended portion of the Province's contribution and the interest earned on the operating advances are due to the Province.

	1987	1986
Balance at beginning of year	$ 14,744	$ 5,342
Cash received during the year	404,100	400,000
	418,844	405,342
Operating expenses for the year	404,019	393,304
	14,825	12,038
Interest earned	2,290	2,706
Balance at end of year	$ 17,115	14,744

Note 5 DUE TO THE MOTION PICTURE DEVELOPMENT FUND

	1987	1986
Due to the Fund at beginning of year before allowance for non-recovery	$2,853,420	$1,776,615
Add:		
Advances in year	256,000	995,000
Interest earned in year on loans to producers	252,437	219,819
Other interest income	12,700	6,525
	3,374,557	2,997,959
Deduct:		
Repayments of advances by the Corporation	177,457	104,594
Loans and interest due from producers written off	399,810	39,945
	577,267	144,539
	2,797,290	2,853,420
Deduct:		
Allowance for non-recovery of loans and interest due from producers	1,743,584	1,461,076
Due to the Fund at end of year	$1,053,706	$1,392,344

At its inception, the Fund was advanced $3 million which, together with interest thereon, is available to the Corporation for making loans to producers. Loans written off by the Corporation together with the allowance for non-recovery, reduce the liability of the Corporation to the Fund.

At March 31, 1987, there was a balance of approximately $1.93 million remaining in the Fund which was available to the Corporation for making loans to producers of motion pictures and television pilots.

Note 6 COMMITMENTS

Operating Fund:

Effective August 1, 1982, the Corporation signed a five year lease for office accommodation in Canmore, Alberta. The lease has a four year renewal term and a minimum annual rent of $36,810.

Loan Fund:

At March 31, 1987 the Corporation was committed to making loan advances of $484,530 to producers of motion pictures and television pilots.

Note 7 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were reviewed by management and recommended for approval by the Board.